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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/488,297  
Filing Date: January 20, 2000  
Appellant(s): KERESMAN III ET AL.

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John P. Cornely  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed September 11, 2008 appealing from the Office action mailed September 7, 2008.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

6,456,984	Demoff et al.	9-2002
5,903,878	Talati et al.	5-1999
6,012,045	Barzilai et al.	1-2000

6,226,624	Watson et al.	5-2001
6,315,193	Hogan	11-2001
6,381,587	Guzelsu	4-2002
5,657,388	Wiess	8-1997

### **(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

#### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 23, 31, 36, 39, 41 and 42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Demoff et al (US 6456984) (“Demoff”) in view of Talati et al (US 5903878) (“Talati”).

Re claims 23, 31, 36, 39, 41 and 42: Demoff teaches method and corresponding system for processing a transaction carried out over a network between a financial account holder and a participating entity, said method comprising the steps of: authenticating the buyer as the financial account holder (col. 6, lines 7-10); establishing transaction fulfillment data, said transaction fulfillment data indicating a delivery destination for the selected items, wherein establishing the transaction fulfillment data includes using a previously obtained destination as the delivery destination for the selected items when an alternate destination is not obtained (col. 4, lines 1-15, col. 5, lines 23-32); communicating the transaction fulfillment data to the participating entity (col. 5, lines 23-32); receiving transaction details from the participating entity, said transaction details including a cost for the selected items (col. 2, lines 14-15); authorizing completion of the transaction and establishing an authorization code therefor (col. 6, lines 59-63); and, communicating the authorization code for the transaction to the participating entity (col. 7, lines 22-33).

Demoff does not explicitly teach receiving a purchase request of the buyer from the seller; transmitting transaction details of the authenticated account holder directly to a funding source which determines if the account holder has one of sufficient funds or sufficient credit available to cover the cost of purchase (claim 31). Talati teaches receiving a purchase request of the buyer from the seller (Abstract, Col. 4, lines 66 – col. 7, lines 3, Fig. 1); transmitting transaction details

of the authenticated account holder directly to a funding source which determines if the account holder has one of sufficient funds or sufficient credit available to cover the cost of purchase (col. 7, lines 24-44). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Demoff to include these steps as taught by Talati in order to allow the administrator to authenticate the buyer by confirming that the order originated from the purchaser and to ensure fund availability.

Claim 24 is rejected under 35 U.S.C. 103(a) as being unpatentable over Demoff in view of Talati as applied to claim 23 above, and further in view of Barzilai et al (US 6012045) ("Barzilai").

Re claim 24: Demoff does not explicitly teach obtaining an alternate destination from the buyer, said alternate destination being different from the previously obtained destination; transmitting a security question to the buyer; receiving a response to the security question from the buyer; and using the alternate destination as the delivery destination of the items when the response to the security question is accurate. Barzilai teaches obtaining an alternate destination from the buyer, said alternate destination being different from the previously obtained destination; transmitting a security question to the buyer; receiving a response to the security question from the buyer; and using the alternate destination as the delivery destination of the items when the response to the security question is accurate (col. 8, lines 2-19). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Demoff to include this step as taught by Barzilai in order to confirm the validity of the buyer if the buyer seeks to provide an alternate address.

Claims 26-30 and 38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Demoff in view of Talati as applied to claim 23 above, and further in view of Watson et al (US 6226624) ("Watson").

Re claims 26-30 and 38: Demoff and Talati teach all the limitations of claim 26, except the step of obtaining restriction instructions from account holders. Watson teaches obtaining restriction instructions from account holders (Abstract, col. 16, lines 59-63, col. 7, lines 9-20). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Demoff to include this step as taught by Watson in order to minimize fraudulent or unauthorized use of the account.

Claims 32-34 and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Demoff in view of Talati as applied to claim 31 above, in view of Hogan (US 6315193) ("Hogan") and further in view of Guzelsu (US 6381587) ("Guzelsu").

Re claims 32-34 and 38: Demoff and Talati do not explicitly teach obtaining settlement information from the participating entity, said settlement information including the authorization code and transaction details for the completed transaction; automatically capturing the settlement information from the participating entity upon an indication of the delivery of the selected items; and confirming that the transaction details corresponding to the authorization code received with the settlement information are within a desired tolerance.

Hogan teaches obtaining settlement information from the participating entity, said settlement information including the authorization code and transaction details for the completed transaction; automatically capturing the settlement information from the participating entity upon an indication of the delivery of the selected items (col. 5, lines 6-25). It would have been obvious to one of ordinary skill in the art at the time of the invention to include these steps as taught by Hogan. One would have been motivated to do so in order to ensure that the appropriate items are delivered to the buyer so that the merchant can be paid and the buyer billed accordingly. Guzelsu teaches confirming that the transaction details corresponding to the authorization code received with the settlement information are within a desired tolerance (col. 9, lines 44-56, Fig. 9). It would have been obvious to one of ordinary skill in the art at the time of the invention to include these steps as taught by Guzelsu. One would have been motivated to do so in order to ensure that the reconciliation is within acceptable tolerance to confirm a correct match.

Claim 35 is rejected under 35 U.S.C. 103(a) as being unpatentable over Demoff in view of Talati in view of Hogan in view of Guzelsu as applied to claim 32 above, and further in view of Weiss (US 5657388) ("Weiss").

Re claim 35: Demoff does not explicitly teach authenticating including synchronizing a token with a periodically changing non-predictable code, providing the account holder with the token, the token displaying the periodically changing non-predictable code, receiving a code communicated by the buyer, and comparing the received code with the periodically changing non-predictable code to authenticate the buyer as the account holder when the received code

matches the periodically changing non-predictable code. Weiss teaches authenticating including synchronizing a token with a periodically changing non-predictable code (col. 1, line 58 - col. 2, line 17), providing the account holder with the token, the token displaying the periodically changing non-predictable code (col. 1, line 58 - col. 2, line 17), receiving a code communicated by the buyer (col. 1, line 58 - col. 2, line 17), and comparing the received code with the periodically changing non-predictable code to authenticate the buyer as the account holder when the received code matches the periodically changing non-predictable code (col. 1, line 58 through col. 2, line 17). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Demoff to include these steps as taught by Weiss. One would have been motivated to do so in order to make the overall system more secure and therefore less prone to fraud and deceit.

#### **(10) Response to Argument**

The Examiner summarizes the various points raised by the Appellant and addresses them individually.

##### **A. Rejection of claims 23, 24, 26-36 and 38-42 under 35 U.S.C. § 103(a) as being unpatentable over Demoff in view of Talati.**

1. Regarding independent claim 23 (representing claims 23, 24, 26-36 and 38-42), Appellant asserts that combining Talati with Demoff would impermissibly change the principle operation of Demoff (see Appeal Brief , pages 16-18).

In Response to (1)): Appellant's argument regarding the combination of Talati and Demoff is not persuasive.

Demoff teaches all the limitations of claim 23 except for the step of receiving a purchase request of the buyer from the seller. Examiner notes and Appellant agrees that Demoff's teaching includes the step of receiving purchase request directly from the buyer (see Appeal Brief , page 16). This, essentially is the difference between the claimed invention and the Demoff reference. However, Examiner notes that Talati, in the same field of art, teaches the concept of receiving a purchase request of a buyer from a seller as recited in the claim rejection.

Since each individual concept and its function are shown in the prior art, albeit shown in separate references, the difference between the claimed subject matter and the prior art rest not on any individual concept or function but in the very combination itself-that is the substitution of the concept of receiving a purchase request of the buyer from the seller as taught by the Talati reference for the concept of receiving purchase request directly from the buyer as taught by the Demoff reference.

Thus, the simple substitution of one known concept for another producing a predictable result renders the claim obvious.

For these reasons, Appellant's argument regarding the combination of Talati and Demoff is not persuasive.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,  
Olabode Akintola /O.A/  
12 December 2008

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